

AUDITOR'S CORNER



Earnest Money Deposits: Recording Receipt, Disbursement On Individual Ledger Sheets

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If you are the broker-in-charge of a real estate sales office, you are responsible for preparing individual property or owner ledger sheets for each sales transaction. When preparing a sales transaction ledger sheet and recording the receipt of an earnest money deposit, you must identify the following:

- 1) Property
- 2) Parties to the transaction
- 3) Date
- 4) From whom the earnest money deposit is received
- 5) Purpose of the deposit
- 6) Amount
- 7) Running balance

When recording the disbursement of an earnest money deposit on a sales transaction ledger sheet, you must identify the following:

- 1) Date
- 2) Payee
- 3) Purpose of disbursement
- 4) Check #
- 5) Amount of the check
- 6) Running balance

If computer software is utilized to maintain your trust account records, then the software must have the capability to generate a report that identifies all the items above in order to have a sales transaction ledger sheet in compliance with the Commission Rules.

NAME: <i>Jones (Seller) to Wood (Buyer)</i>		ACCOUNT NO.				
ADDRESS: <i>119 Maple St</i>		SHEET NO.				
DATE		ITEMS		DEPOSITS	CHECKS	BALANCE
<i>1/03</i>	<i>OX</i>	<i>John Wood EMD</i>	<i>OX-1</i>	<i>\$1,000.00</i>		<i>\$1,000.00</i>
<i>1/30</i>	<i>OX</i>	<i>Perry Mason - Closing</i>	<i>104</i>		<i>\$1,000.00</i>	<i>\$0.00</i>